

CONTENTS

INDEPENDENT AUDITORS REPORT	1-2
-----------------------------	-----

BASIC FINANCIAL STATEMENTS:

Government-Wide Financial Statements:

Statement of Net Assets	3
Statement of Activities	4

Fund Financial Statements:

Balance Sheet – Governmental Funds	5
Reconciliation of the Governmental Funds Balance Sheet with the Statement of Net Assets	6
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	7
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances with the Statement of Activities	8
Statement of Net Assets – Proprietary Funds	9
Statement of Revenues, Expenses and Changes in Net Assets – Proprietary Funds	10
Statement of Cash Flows – Proprietary Funds	11
General Fund – Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual	12
Major Street Fund – Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual	13

Local Street Fund – Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual	14
Municipal Street Fund – Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual	15
Fire Fund – Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual	16
NOTES TO FINANCIAL STATEMENTS	17-31
SUPPLEMENTAL INFORMATION:	
General Fund:	
Balance Sheet	32
Detailed Statement of Revenues – Budget and Actual	33
Detailed Statement of Expenditures – Budget and Actual	34-35
Special Revenue Funds:	
Combining Balance Sheet	36
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	37
Statements of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
Cemetery Fund	38
Drug Law Enforcement Fund	39
Cemetery Perpetual Care Trust Fund – Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance	40

Enterprise Fund – Water:

Statement of Revenues, Expenses and Changes in Retained Earnings – Budget and Actual	41
---	----

Enterprise Fund – Sewer:

Statement of Revenues, Expenses and Changes in Retained Earnings – Budget and Actual	42
---	----

Enterprise Fund – Building

Statement of Revenues, Expenses and Changes in Retained Earnings – Budget and Actual	43
---	----

Current Tax Collection Fund:

Statements of Changes in Assets and Liabilities	44
---	----

*Member:
American Institute of
Certified Public Accountants
The Michigan Association of
Certified Public Accountants*

JOHN W. RHINESMITH, C.P.A., P.C.
CERTIFIED PUBLIC ACCOUNTANT

**24825 Little Mack Avenue
St. Clair Shores, Michigan 48080**

TELEPHONE
(586) 772-7300

FACSIMILE
(586) 772-8397

INDEPENDENT AUDITOR'S REPORT

To the Members of the Village Board
Village of New Haven
New Haven, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of New Haven, Michigan as of and for the year ended March 31, 2007, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village of New Haven, Michigan's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

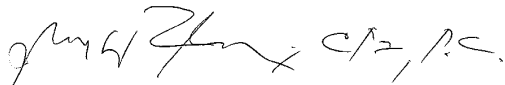
The Village, prior to the year ended March 31, 2005, had not maintained a record of its general fixed assets as required by accounting principles generally accepted in the United States of America. The effects of this omission on the financial statements of the governmental activities are not reasonably determinable. Also, the Village has not presented Management's Discussion and Analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In our opinion, except for the effects, if any, of not maintaining a record of general fixed assets for the governmental activities and omitting Management's Discussion and Analysis as described previously the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of New Haven, Michigan as of March 31, 2007 and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In addition, in our opinion, except for the effects, if any, of omitting Management's Discussion and Analysis as described previously, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of the Village of New Haven, Michigan as of March 31, 2007 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

To the Members of the Village Board
Village of New Haven, Michigan

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of New Haven, Michigan's basic financial statements. The accompanying other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



JOHN W. RHINESMITH, C.P.A., P.C.
Certified Public Accountant

April 22, 2008

VILLAGE OF NEW HAVEN
STATEMENT OF NET ASSETS
MARCH 31, 2007

	PRIMARY GOVERNMENT		
	GOVERNMENTAL	BUSINESS-TYPE	
	ACTIVITIES	ACTIVITIES	TOTAL
<hr/>			
ASSETS			
CASH AND CASH EQUIVALENTS	\$3,637,147	\$2,246,593	\$5,883,740
RECEIVABLES:			
Taxes (net of allowance)	16,688	0	16,688
Accounts	43,999	416,385	460,384
PREPAID TRASH SERVICE	0	0	0
INTERNAL BALANCES	45,248	(45,248)	0
RESTRICTED ASSETS:			0
Certificates of deposit	38,653	163,327	201,980
CAPITAL ASSETS, NET OF DEPRECIATION	487,747	3,877,386	4,365,133
	<hr/>		
TOTAL ASSETS	4,269,482	6,658,443	10,927,925
<hr/>			
LIABILITIES			
ACCOUNTS PAYABLE	94,690	99,590	194,280
ACCRUED EXPENSES	24,759	13,472	38,231
DEPOSITS - SEWER TAPS DUE	0	(3,900)	(3,900)
DEPOSITS	0	125,476	125,476
CURRENT PORTION OF BONDS AND LEASES	41,763	93,720	135,483
LONG TERM DEBT: BONDS, LEASES AND COMPENSATED ABSENCES	133,782	1,080,992	1,214,774
	<hr/>		
TOTAL LIABILITIES	294,994	1,409,350	1,704,344
<hr/>			
NET ASSETS			
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	487,747	2,702,674	3,190,421
RESTRICTED:			
Sewer	0	163,327	163,327
Cemetery Perpetual Care	38,653	0	38,653
UNRESTRICTED	3,448,088	2,383,092	5,831,180
	<hr/>		
TOTAL NET ASSETS	\$3,974,488	\$5,249,093	\$9,223,581
	<hr/>		

The accompanying notes are an integral part of the financial statements.

VILLAGE OF NEW HAVEN
STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2007

	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
FUNCTIONS/PROGRAMS							
PRIMARY GOVERNMENT							
GOVERNMENTAL ACTIVITIES							
General government	\$879,489	\$229,170	\$17,947	\$0	(\$632,372)	\$0	(\$632,372)
Public safety	1,014,558	0	48,218	0	(966,340)	0	(966,340)
Highways and streets	253,365	0	0	0	(253,365)	0	(253,365)
Parks and recreation	60,443	0	0	0	(60,443)	0	(60,443)
Interest on long term debt	8,823	0	0	0	(8,823)	0	(8,823)
TOTAL GOVERNMENTAL ACTIVITIES	2,216,678	229,170	66,165	0	(1,921,343)	0	(1,921,343)
BUSINESS-TYPE ACTIVITIES							
Water	475,859	632,353	0	0	0	156,494	156,494
Sewer	551,404	880,256	0	0	0	328,852	328,852
Building	212,032	202,834	0	0	0	(9,198)	(9,198)
TOTAL BUSINESS-TYPE ACTIVITIES	1,239,295	1,715,443	0	0	0	476,148	476,148
TOTAL PRIMARY GOVERNMENT	\$3,455,973	\$1,944,613	\$66,165	\$0	(1,921,343)	476,148	(1,445,195)
General revenues:							
Taxes					1,580,632	0	1,580,632
Licenses and permits					0	0	0
Intergovernmental					527,258	0	527,258
Interest					211,607	5,942	217,549
Miscellaneous					160,060	0	160,060
Transfers					0	0	0
Total general revenues and transfers					2,479,557	5,942	2,485,499
CHANGE IN NET ASSETS					558,214	482,090	1,040,304
NET ASSETS - Beginning of the year					3,416,274	4,767,003	8,183,277
NET ASSETS - End of the year					\$3,974,488	\$5,249,093	\$9,223,581

The accompanying notes are an integral part of the financial statements.

VILLAGE OF NEW HAVEN
BALANCE SHEET - GOVERNMENTAL FUNDS
MARCH 31, 2007

	MAJOR SPECIAL REVENUE FUNDS					OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
	GENERAL	MAJOR STREET FUND	LOCAL STREET FUND	MUNICIPAL STREET FUND	FIRE FUND		
<u>ASSETS</u>							
CASH AND CASH EQUIVALENTS	\$1,716,974	\$489,411	\$74,418	\$1,050,372	\$262,935	\$43,037	\$3,637,147
CERTIFICATES OF DEPOSIT - RESTRICTED	0	0	0	0	0	38,653	38,653
RECEIVABLES:							
Taxes (net of allowance)	16,688	0	0	0	0	0	16,688
Accounts	43,999	0	0	0	0	0	43,999
DUE FROM OTHER FUNDS	45,248	0	0	0	0	0	45,248
TOTAL ASSETS	\$1,822,909	\$489,411	\$74,418	\$1,050,372	\$262,935	\$81,690	\$3,781,735
<u>LIABILITIES AND FUND EQUITY</u>							
<u>LIABILITIES</u>							
ACCOUNTS PAYABLE	\$52,319	\$33,670	\$1,008	\$2,545	\$3,192	\$1,956	\$94,690
ACCRUED EXPENSES	24,399	46	155	0	159	0	24,759
DUE TO OTHER FUNDS	0	0	0	0	0	0	0
TOTAL LIABILITIES	76,718	33,716	1,163	2,545	3,351	1,956	119,449
<u>FUND EQUITY</u>							
RESERVED	0	0	0	0	0	38,653	38,653
UNRESERVED - UNDESIGNATED	1,746,191	455,695	73,255	1,047,827	259,584	41,081	3,623,633
	1,746,191	455,695	73,255	1,047,827	259,584	79,734	3,662,286
TOTAL LIABILITIES AND FUND EQUITY	\$1,822,909	\$489,411	\$74,418	\$1,050,372	\$262,935	\$81,690	\$3,781,735

The accompanying notes are an integral part of the financial statements.

VILLAGE OF NEW HAVEN
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
WITH THE STATEMENT OF NET ASSETS
MARCH 31, 2007

TOTAL FUND BALANCE GOVERNMENTAL FUNDS	\$3,662,286
---------------------------------------	-------------

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Capital assets		604,982
Accumulated depreciation		(117,235)

Long - term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Compensated absences	(48,347)		
Capital leases	<u>(127,198)</u>		<u>(175,545)</u>

NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u><u>\$3,974,488</u></u>
---------------------------------------	---------------------------

The accompanying notes are an integral part of the financial statements.

VILLAGE OF NEW HAVEN
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED MARCH 31, 2007

	MAJOR SPECIAL REVENUE FUNDS					OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
	GENERAL	MAJOR STREET FUND	LOCAL STREET FUND	MUNICIPAL STREET FUND	FIRE FUND		
REVENUES							
Taxes	\$924,260	\$0	\$0	\$364,878	\$252,402	\$39,092	\$1,580,632
Licenses and permits	0	0	0	0	0	0	0
Intergovernmental	357,095	131,571	45,889	0	11,168	0	545,723
Charge for services	221,070	0	0	0	0	8,100	229,170
Interest earned	209,915	0	0	0	0	1,692	211,607
Miscellaneous	179,184	0	0	0	1,077	27,498	207,759
TOTAL REVENUES	1,891,524	131,571	45,889	364,878	264,647	76,382	2,774,891
EXPENDITURES							
General government	953,473	0	0	0	0	66,224	1,019,697
Public Safety	941,284	0	0	0	211,159	0	1,152,443
Highways and streets	0	132,493	84,598	36,274	0	0	253,365
Parks and recreation	60,443	0	0	0	0	0	60,443
TOTAL EXPENDITURES	1,955,200	132,493	84,598	36,274	211,159	66,224	2,485,948
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(63,676)	(922)	(38,709)	328,604	53,488	10,158	288,943
OPERATING FINANCING SOURCES (USES)							
Transfers in	0	0	43,930	0	0	0	43,930
Transfers out	0	0	0	(43,930)	0	0	(43,930)
	0	0	43,930	(43,930)	0	0	0
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(63,676)	(922)	5,221	284,674	53,488	10,158	288,943
FUND BALANCES							
Beginning of the year	1,809,867	456,617	68,034	763,153	206,096	69,576	3,373,343
FUND BALANCES							
End of the year	\$1,746,191	\$455,695	\$73,255	\$1,047,827	\$259,584	\$79,734	\$3,662,286

The accompanying notes are an integral part of the financial statements.

VILLAGE OF NEW HAVEN
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES WITH THE STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2007

NET CHANGE IN FUND BALANCES TOTAL GOVERNMENTAL FUNDS	\$288,943
--	-----------

Governmental funds report capital outlays as expenditures.
However, in the statement of activities the cost of those
assets is allocated over their estimated useful lives and
reported as depreciation expense.

Capital outlay	292,791
Depreciation expense	(55,460)

Repayment of the principal of long-term debt consumes the current financial resources of governmental funds, however has no effect on net assets.	42,054
---	--------

Some expenses reported in the statement of activities do not
require the use of current financial resources and therefore
are not reported as expenditures in the funds.

Increase in accrued compensated balances	<u>(10,115)</u>
--	-----------------

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u><u>\$558,214</u></u>
---	-------------------------

The accompanying notes are an integral part of the financial statements.

VILLAGE OF NEW HAVEN
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
MARCH 31, 2007

	BUSINESS TYPE ACTIVITIES- ENTERPRISE FUNDS			
	WATER FUND	SEWER FUND	BUILDING FUND	TOTAL PROPRIETARY FUNDS
<hr/>				
ASSETS				
<hr/>				
CURRENT ASSETS				
Cash and cash equivalents	\$525,695	\$1,604,783	\$116,115	\$2,246,593
Prepaid Trash Service	0	0	0	0
Accounts receivable	168,571	179,835	67,979	416,385
<hr/>				
TOTAL CURRENT ASSETS	694,266	1,784,618	184,094	2,662,978
RESTRICTED ASSETS				
Certificates of Deposit	0	163,327	0	163,327
<hr/>				
CAPITAL ASSETS, NET OF DEPRECIATION	1,425,155	2,452,231	0	3,877,386
<hr/>				
TOTAL ASSETS	2,119,421	4,400,176	184,094	6,703,691
<hr/>				
LIABILITIES				
<hr/>				
CURRENT LIABILITIES				
Accounts payable	\$49,045	\$44,707	\$5,838	\$99,590
Accrued expenses	2,267	751	10,454	13,472
Deposits - Sewer taps due	0	(3,900)	0	(3,900)
Current portion of revenue bond	0	93,720	0	93,720
Due to other funds	0	45,248	0	45,248
Deposits	0	1,819	123,657	125,476
<hr/>				
	51,312	182,345	139,949	373,606
<hr/>				
LONG TERM DEBT				
Revenue bonds	0	1,080,992	0	1,080,992
<hr/>				
TOTAL LIABILITIES	51,312	1,263,337	139,949	1,454,598
<hr/>				
NET ASSETS				
<hr/>				
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	1,425,155	1,277,519	0	2,702,674
<hr/>				
RESTRICTED	0	163,327	0	163,327
<hr/>				
UNRESTRICTED	642,954	1,695,993	44,145	2,383,092
<hr/>				
TOTAL NET ASSETS	\$2,068,109	\$3,136,839	\$44,145	\$5,249,093

The accompanying notes are an integral part of the financial statements.

VILLAGE OF NEW HAVEN
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET ASSETS
- PROPRIETARY FUNDS
YEAR ENDED MARCH 31, 2007

	BUSINESS TYPE ACTIVITIES- ENTERPRISE FUNDS			
	WATER FUND	SEWER FUND	BUILDING FUND	TOTAL PROPRIETARY FUNDS
OPERATING REVENUES				
User charges	\$383,275	\$636,176	\$0	\$1,019,451
Water and Sewer tap - ins	146,360	234,080	0	380,440
Permits and licenses	0	0	202,834	202,834
Miscellaneous	102,718	10,000	0	112,718
TOTAL OPERATING REVENUES	632,353	880,256	202,834	1,715,443
OPERATING EXPENSES				
Salaries and wages	81,873	68,798	238,105	388,776
Plant charges	346,165	404,533	0	750,698
Professional fees	0	0	(28,151)	(28,151)
Depreciation	47,756	70,192	0	117,948
Miscellaneous	65	0	2,078	2,143
TOTAL OPERATING EXPENSES	475,859	543,523	212,032	1,231,414
OPERATING INCOME (LOSS)	156,494	336,733	(9,198)	484,029
NONOPERATING REVENUES (EXPENSES)				
Interest on investments	0	5,942	0	5,942
Interest on bonds	0	(7,881)	0	(7,881)
TOTAL NONOPERATING REVENUES (EXPENSES)	0	(1,939)	0	(1,939)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	156,494	334,794	(9,198)	482,090
CAPITAL CONTRIBUTIONS	0	0	0	0
CHANGE IN NET ASSETS	156,494	334,794	(9,198)	482,090
NET ASSETS - Beginning of the year	1,911,615	2,802,045	53,343	4,767,003
NET ASSETS - End of the year	\$2,068,109	\$3,136,839	\$44,145	\$5,249,093

The accompanying notes are an integral part of the financial statements.

VILLAGE OF NEW HAVEN
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
YEAR ENDED MARCH 31, 2007

	BUSINESS TYPE ACTIVITIES- ENTERPRISE FUNDS			TOTAL PROPRIETARY FUNDS
	WATER FUND	SEWER FUND	BUILDING FUND	
CASH FLOWS - OPERATING ACTIVITIES				
Receipts from customers	\$522,035	\$834,511	\$163,006	\$1,519,552
Receipts from general government	69,459	10,000	0	79,459
Payments to suppliers	(302,606)	(490,799)	26,348	(767,057)
Payments to general government	(44,226)	(31,564)	(20,000)	(95,790)
Payments to employees	(81,873)	(68,798)	(238,105)	(388,776)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	162,789	253,350	(68,751)	347,388
CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	(27,916)	(27,916)	0	(55,832)
Principal and interest paid on bonds	0	(93,081)	0	(93,081)
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	(27,916)	(120,997)	0	(148,913)
CASH FLOWS - INVESTING ACTIVITIES				
Interest on investments	0	5,942	0	5,942
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	134,873	138,295	(68,751)	204,417
CASH AND CASH EQUIVALENTS - Beginning of the year	390,821	1,629,815	184,866	2,205,502
CASH AND CASH EQUIVALENTS - End of the year	\$525,694	\$1,768,110	\$116,115	\$2,409,919
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating Income	\$156,494	\$336,733	(\$9,198)	\$484,029
Adjustments to reconcile operating income to net cash flows from operating activities:				
Noncash items included in net income:				
Depreciation	47,756	70,192	0	117,948
Changes in:				
Accounts receivable	(40,859)	(35,745)	(67,979)	(144,583)
Accounts payable	(2,869)	6,558	(778)	2,911
Accrued expenses	2,267	751	1,175	4,193
Deposits	0	(140,377)	8,029	(132,348)
Prepays	0	15,238	0	15,238
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$162,789	\$253,350	(\$68,751)	\$347,388
NONCASH CAPITAL AND FINANCING ACTIVITIES				
Capital asset acquired - Through issuance of bonds				
Sewer Lines - Construction in progress	\$0	\$1,080,992	\$0	\$1,080,992

The accompanying notes are an integral part of the financial statements.

VILLAGE OF NEW HAVEN
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED MARCH 31, 2007

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE WITH AMENDED BUDGET
REVENUES				
Taxes	\$727,475	\$914,582	\$924,260	\$9,678
License and permits	0	0	0	0
Intergovernmental	358,730	348,816	357,095	8,279
Charge for services	170,000	204,000	221,070	17,070
Interest earned	140,000	150,000	209,915	59,915
Miscellaneous	126,900	188,678	179,184	(9,494)
Previous Fund Balance	196,353	270,723	0	(270,723)
	<u>1,719,458</u>	<u>2,076,799</u>	<u>1,891,524</u>	<u>(185,275)</u>
EXPENDITURES				
General government	927,720	1,068,312	953,473	114,839
Public Safety	753,130	959,172	941,284	17,888
Parks and recreation	37,385	49,315	60,443	(11,128)
	<u>1,718,235</u>	<u>2,076,799</u>	<u>1,955,200</u>	<u>121,599</u>
REVENUES OVER (UNDER) EXPENDITURES	1,223	0	(63,676)	(63,676)
OPERATING FINANCING SOURCES (USES)				
Operating Transfers Out				
Building Fund	0	0	0	0
Cemetery Fund	(1,223)	0	0	0
	<u>(1,223)</u>	<u>0</u>	<u>0</u>	<u>0</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$0</u>	<u>\$0</u>	(63,676)	<u>(\$63,676)</u>
FUND BALANCE				
Beginning of the year			<u>1,809,867</u>	
FUND BALANCE				
End of the year			<u>\$1,746,191</u>	

The accompanying notes are an integral part of the financial statements.

VILLAGE OF NEW HAVEN
MAJOR STREET FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED MARCH 31, 2007

	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH AMENDED BUDGET</u>
REVENUES				
Intergovernmental -				
Motor Vehicle Highway Fund	\$138,000	\$131,000	\$131,571	\$571
EXPENDITURES				
Wages and clerical	22,550	19,400	17,166	2,234
Payroll taxes and benefits	14,150	15,450	15,101	349
Professional fees	0	0	823	(823)
Supplies	3,300	300	104	196
Gas and oil	2,600	1,500	1,386	114
Road maintenance and traffic service	6,050	5,000	10,392	(5,392)
Bridge maintenance	24,000	40,000	69,832	(29,832)
Equipment rental	10,200	19,500	16,150	3,350
Uniforms	200	0	0	0
Insurance and bonds	0	1,550	1,539	11
	<u>83,050</u>	<u>102,700</u>	<u>132,493</u>	<u>(29,793)</u>
REVENUES OVER (UNDER) EXPENDITURES	54,950	28,300	(922)	(29,222)
OTHER FINANCING SOURCES (USES)				
Operating transfers out -				
Local Street fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$54,950</u>	<u>\$28,300</u>	(922)	<u>(\$29,222)</u>
FUND BALANCE (DEFICIT)				
Beginning of the year			<u>456,617</u>	
FUND BALANCE (DEFICIT)				
End of the year			<u>\$455,695</u>	

The accompanying notes are in integral part of the financial statements.

VILLAGE OF NEW HAVEN
LOCAL STREET FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED MARCH 31, 2007

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE WITH AMENDED BUDGET
REVENUES				
Intergovernmental -				
Motor Vehicle Highway Fund	\$45,000	\$45,000	\$45,889	\$889
CDBG	0	0	0	0
Previous Fund Balance	0	0	0	0
	45,000	45,000	45,889	889
EXPENDITURES				
Wages and clerical	26,475	26,800	23,867	2,933
Payroll taxes and benefits	11,900	11,800	12,457	(657)
Professional fees	0	0	823	(823)
Supplies	5,000	7,000	5,761	1,239
Gas and oil	1,600	1,000	1,036	(36)
Road maintenance and traffic service	6,900	13,630	13,320	310
Equipment rental	17,760	27,500	26,035	1,465
Uniforms	115	0	0	0
Insurance and bonds	0	1,200	1,154	46
Miscellaneous	0	0	145	(145)
	69,750	88,930	84,598	4,332
REVENUES OVER (UNDER) EXPENDITURES	(24,750)	(43,930)	(38,709)	5,221
OTHER FINANCING SOURCES (USES)				
Operating transfers in -				
Municipal Street Fund	24,750	43,930	43,930	0
Major Street Fund	0	0	0	0
	24,750	43,930	43,930	0
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$0	\$0	5,221	\$5,221
FUND BALANCE (DEFICIT)				
Beginning of the year			68,034	
FUND BALANCE (DEFICIT)				
End of the year			\$73,255	

The accompanying notes are an integral part of the financial statements.

VILLAGE OF NEW HAVEN
MUNICIPAL STREET FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED MARCH 31, 2007

	ORIGINAL <u>BUDGET</u>	AMENDED <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE WITH AMENDED <u>BUDGET</u>
REVENUES				
Taxes	\$290,500	\$361,000	\$364,878	\$3,878
EXPENDITURES				
Wages and clerical	5,500	5,500	5,500	0
Street lights	33,000	31,000	30,774	226
Bad debts	0	0	0	0
Miscellaneous	0	0	0	0
	<u>38,500</u>	<u>36,500</u>	<u>36,274</u>	<u>226</u>
REVENUES OVER (UNDER) EXPENDITURES	252,000	324,500	328,604	4,104
OTHER FINANCING SOURCES (USES)				
Operating transfers out - Local Street Fund	<u>(24,750)</u>	<u>(43,930)</u>	<u>(43,930)</u>	<u>0</u>
	<u>(24,750)</u>	<u>(43,930)</u>	<u>(43,930)</u>	<u>0</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$227,250</u>	<u>\$280,570</u>	284,674	<u>\$4,104</u>
FUND BALANCE (DEFICIT) Beginning of the year			<u>763,153</u>	
FUND BALANCE (DEFICIT) End of the year			<u>\$1,047,827</u>	

The accompanying notes are an integral part of the financial statements.

VILLAGE OF NEW HAVEN
FIRE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED MARCH 31, 2007

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE WITH AMENDED BUDGET
REVENUES				
Taxes -				
Special Assessment	\$70,000	\$252,000	\$252,402	\$402
Intergovernmental -				
CDBG	9,900	0	0	0
Public Safety Grant	10,400	11,168	11,168	0
Miscellaneous	0	0	1,077	1,077
Previous Fund Balance	84,385	0	0	0
	174,685	263,168	264,647	1,479
EXPENDITURES				
Salaries and clerical	54,000	74,000	73,624	376
Payroll taxes and benefits	8,000	5,500	6,671	(1,171)
Supplies	9,200	10,000	9,759	241
Training	4,600	5,500	6,367	(867)
Gas and oil	1,700	4,000	3,516	484
Uniforms	900	4,000	3,749	251
Professional services	1,100	2,000	1,511	489
Telephone	3,500	4,500	4,272	228
Insurance	3,900	1,200	5,771	(4,571)
Heat, light and power	3,300	3,000	5,205	(2,205)
Vehicle expense	1,550	5,000	3,829	1,171
Repair and maintenance	600	9,000	6,922	2,078
Equipment rental	0	200	0	200
Miscellaneous	1,050	3,505	2,897	608
Capital outlay	81,285	61,285	77,066	(15,781)
	174,685	192,690	211,159	(18,469)
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES				
	<u>\$0</u>	<u>\$70,478</u>	53,488	<u>(\$16,990)</u>
FUND BALANCE (DEFICIT)				
Beginning of the year			<u>206,096</u>	
FUND BALANCE (DEFICIT)				
End of the year			<u>\$259,584</u>	

The accompanying notes are an integral part of the financial statements.

VILLAGE OF NEW HAVEN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of New Haven was incorporated in 1896, under the provisions of Act 3, P.A. 1895, as amended. The Village operates under an elected Board of Trustees and a Village President and provides the following services as authorized by its charter: public safety (police, fire and inspections), public works, public utilities, parks and recreation, finance, community development, and environmental protection.

The accounting policies of the Village of New Haven conform to generally accepted accounting principles as applicable to Villages, except as indicated in Note C labeled “Capital Assets”. The following is a summary of the more significant accounting policies.

SCOPE OF REPORTING ENTITY - In accordance with the provisions of the Government Accounting Standards Board’s Codification of Governmental Accounting and Financial Reporting Standards related to “Defining the Governmental Reporting Entity, “ the financial statements of the Village of New Haven contain all the Village funds and authorities that are controlled by or dependent on the Village’s executive or legislative branches. Control by or dependence on the Village was determined on the basis of appointment of governing authority, budget adoption, taxing authority, outstanding debt secured by revenues or general obligations of the Village, obligations of the Village to finance any deficits that may occur, receipt of significant subsidies from the Village, disposition of surplus funds, and scope of public service.

The New Haven Housing Commission is not part of the Village of New Haven and is excluded from the accompanying financial statements for the reasons stated:

- Village is not responsible for funding any of the Commission’s deficits
- Village does not guarantee the Commission’s debts
- Village does not approve the operating budget
- Village’s subsidy is small in relation to the Commission’s overall revenues

The Economic Development Corporation, a component unit of the Village, is excluded from the accompanying financial statements as it had no activity during the fiscal years ended March 31, 2007 and 2006.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS - The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. Government activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

VILLAGE OF NEW HAVEN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Separate financial statements are provided for governmental funds, and proprietary funds. Major individual governmental funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

Properties are assessed as of December 31, and the related property taxes become due July 1. These taxes become delinquent September 15, at which time the real estate taxes are added to county tax rolls. Delinquent personal property taxes are accounted for as a receivable.

The 2006 state taxable values of the Village of New Haven amounted to \$91,147,258 on which 9.8795 mills were levied for operating purposes, 4.0090 mills for municipal street and road improvement, and .4296 mills for operating and maintaining the Village cemetery.

The Village reports the following major governmental funds:

GENERAL FUND – This fund is used to account for all financial transactions except those required to be accounted for in another fund. The fund includes the general operating expenditures of the local unit. Revenues are derived primarily from property taxes, state and federal distributions, grants, and other intergovernmental revenues.

SPECIAL REVENUE FUNDS – The Major Street Fund, Local Street Fund, Municipal Street Fund and Fire Fund are used to account for specific governmental revenues (other than major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

VILLAGE OF NEW HAVEN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Village reports the following major proprietary funds:

ENTERPRISE FUNDS – The Water Fund, Sewer Fund and Building Fund report operations that provide services which are financed by user charges or activities where periodic measurement of net income is appropriate for capital maintenance, public policy, management control, or other purposes.

Additionally, the Village reports the following non-major governmental funds:

SPECIAL REVENUE FUNDS – The Cemetery Fund and the Cemetery Perpetual Care Trust Fund are used to account for specific governmental revenues (other than major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's water and sewer function and various other functions of the government. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned. Residual balances between the business-type activities and the governmental activities are reported as "internal balances".

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering services in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the proprietary funds relate to charges to customers for sales and services. The water and sewer funds also recognize the portion of tap fees intended to recover current costs (e.g. labor and materials to hook up new customers) as operating revenue. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. As set forth by Government Accounting Standards Board Statement #20, the Village has elected to follow all Financial Accounting Standards Board Statements issued after November 30, 1989.

ASSETS, LIABILITIES, AND NET ASSETS

BANK DEPOSITS AND INVESTMENTS - Cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposit, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

RECEIVABLES AND PAYABLES - In general, outstanding balances between funds are reported as "due to/from other funds." All trade and property tax receivables are shown net of allowance for uncollectible amounts.

INVENTORIES - No significant inventories existed at March 31, 2007.

VILLAGE OF NEW HAVEN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

CAPITAL ASSETS - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Infrastructure assets acquired through governmental activities prior to April 1, 2004, have not been capitalized and are omitted from the Statement of Net Assets.

Assets are depreciated using the straight-line method over the following useful lives:

Buildings	20 – 50 years
Water and Sewer System	20 – 50 years
Road and Sidewalks	20 years
Machinery and Equipment and Vehicles	5 – 10 years
Water and Sewer Plant and Equipment	20 – 50 years

LONG-TERM OBLIGATIONS - In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

FUND EQUITY - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

VILLAGE OF NEW HAVEN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ACCOUNTING CHANGES - GASB Statement No. 34 – Effective April 1, 2004, the Village implemented the provisions of Governmental Accounting Standards Board Statement No. 34 (GASB No. 34) *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and related statements. Changes to the Village's financial statements as a result of GASB No. 34 are as follows:

- Government-wide financial statements (statement of net assets and statement of activities) prepared using full accrual accounting for all of the Village's activities have been provided.
- The fund financial statements focus on major funds rather than fund types.
- The governmental activities column includes long-term obligations previously reported in the General Long-term Debt Account Group. Beginning net assets having been restated accordingly.

CASH AND CERTIFICATES OF DEPOSIT - Deposits are carried at cost. Deposits of the Village are at one bank and one credit union in the name of the Village Treasurer. Act 217, PA 1982, authorizes the Village to deposit and invest in the accounts of Federally insured banks, insured credit unions, and savings and loan associations; bonds and other direct obligations of the United States, or an agency or instrumentality of the United States; United States government or States Banks; commercial paper rated within the three highest classifications by not less than two standard rating services, which mature not more than 270 days after the date of purchase, and which involves no more than 50 percent of any one fund; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Michigan law prohibits security in the form of collateral, surety or bond, for the deposit of public money. An Attorney General's opinion states that public funds may not be deposited in financial institutions located in states other than Michigan. The Village's deposits are in accordance with statutory authority.

The Balance Sheet Caption "Cash" includes imprest cash of \$838.

The Governmental Accounting Standards Board Statement No. 3 risk disclosures for the Village's cash deposits are as follows:

	<u>INSURED (NCUA)(FDIC)</u>	<u>UNINSURED AND UNCOLLATERALIZED</u>	<u>TOTAL</u>
Petty Cash	\$ -	\$ 838	\$ 838
Cash accounts	200,000	790,070	990,070
Certificates of Deposit	<u>-</u>	<u>5,094,084</u>	<u>5,094,084</u>
	<u>\$200,000</u>	<u>\$5,884,992</u>	<u>\$6,084,992</u>

VILLAGE OF NEW HAVEN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BUDGET AND BUDGETARY ACCOUNTING - The budget shown in the financial statements was prepared on the accounting basis used to reflect actual results and consists only of those amounts contained in the formal budget approved or amended by the Village Council. The Village employs the following procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to March 1, the Village President prepares from data submitted by the administrator and officials of the Village a proposed operating budget for the year commencing the following April 1. The operating budget includes proposed expenditures and resources to finance them.
2. A Public Hearing is conducted to obtain taxpayers' comments.
3. During the fiscal year, the budget is legally enacted through passage of a resolution. During the year ended March 31, 2007, the budget was amended.

USE OF ESTIMATES - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CASH EQUIVALENTS - Certificates of deposit are considered cash equivalents for purposes of the statement of cash flows as they are readily converted into cash and generally mature at intervals less than 12 months.

ENCUMBRANCES - Encumbrances are defined as commitments related to unperformed contracts for goods or services. The Village does not record encumbrances in the normal course of operating its accounting system and no encumbrances are recorded in the accompanying financial statements.

NOTE B - TAXES RECEIVABLE - DELINQUENT

The County of Macomb has established a Tax Collection Revolving Fund whereby all local units of government are paid for the delinquent real property taxes each year. The County will charge back to the local units of government any real property taxes not collected at the end of five years. Information from a bankruptcy case involving one taxpayer indicates a chargeback up to approximately \$105,000 may occur during the Village's next fiscal year end.

VILLAGE OF NEW HAVEN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007

NOTE C – CAPITAL ASSETS

Capital asset activity of the Village's Governmental and Business-Type Activities are summarized as follows:

	Balance April 1, 2006	Additions	Deletions	Balance March 31, 2007
GOVERNMENTAL ACTIVITIES:				
Land	\$ 34,893	\$ -	\$ -	\$ 34,893
Vehicles	144,775	31,112	-	175,887
Equipment & Furniture	132,523	261,679	-	394,202
	<u>\$ 312,191</u>	<u>\$292,791</u>	<u>\$ -</u>	<u>\$604,982</u>
Less Accumulated Depreciation				(117,235)
Net Capital Assets				<u>\$487,747</u>

	Balance April 1, 2006	Additions	Deletions	Balance March 31, 2007
BUSINESS-TYPE ACTIVITIES:				
Land	\$ 33,350	\$ -	\$ -	\$ 33,350
Wells	86,911	-	-	86,911
Buildings	136,782	-	-	136,782
Purification and Disposal Equipment	1,142,462	-	-	1,142,462
Mains and Sewers	2,809,475	-	-	2,809,475
Meters	205,314	55,831	-	261,145
Equipment	52,475	-	-	52,475
Construction in Progress	-	1,080,992	-	1,080,992
	<u>\$4,466,769</u>	<u>\$1,136,823</u>	<u>\$ -</u>	<u>\$5,603,592</u>
Less Accumulated Depreciation				(1,726,206)
Net Capital Assets				<u>\$3,877,386</u>

Depreciation expense was charged to programs of the primary government as follows:

GOVERNMENTAL ACTIVITIES:	
General Government	\$ 26,124
Public Safety	<u>29,336</u>
Total Governmental Activities	<u>\$ 55,460</u>
BUSINESS-TYPE ACTIVITIES:	
Water	\$ 47,756
Sewer	<u>70,192</u>
Total Business-Type Activities	<u>\$117,948</u>

VILLAGE OF NEW HAVEN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007

NOTE D - ACCOUNTS RECEIVABLE

Business-type activities are due \$416,385 from Village residents and businesses for water and sewer user charges.

NOTE E - EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS

Michigan Public Act 621 of 1978, section 18 (1) as amended, provides that a local governmental unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Village's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional basis. The approved budgets of the Village for these budgetary funds were adopted to the functional level.

During the year ended March 31, 2007, the Village incurred expenditures in certain budgetary funds which were in excess of the amounts appropriated, as follows:

<u>FUND</u>	<u>TOTAL APPROPRIATIONS</u>	<u>AMOUNT OF EXPENDITURES</u>	<u>BUDGET VARIANCE</u>
General Fund:			
Parks and recreation	\$ 49,315	\$ 60,443	\$(11,128)
Special Revenue Funds:			
Major street fund	102,700	132,493	(29,793)
Fire fund	192,690	211,159	(18,469)
Cemetery fund	41,500	63,633	(22,133)

NOTE F - OBLIGATION UNDER CAPITAL LEASE

In September, 2000 the Village purchased a street sweeper at a cost of \$111,200. The street sweeper was financed by a capital lease with annual payments of \$16,983 including interest at 6.94%. Payments are due through October, 2007 and the balance due at March 31, 2007 is \$15,877. The obligation is reported net of the amount representing interest based upon the fair market value of the street sweeper, and is reported in the governmental activities long term debt. Payments are made from general fund resources.

In May, 2003 the Village purchased a backhoe loader at a cost of \$55,500. The backhoe loader was financed by a capital lease with monthly payments of \$1,305 including interest at 5.5%. Payments are due through May, 2006 and the balance due at March 31, 2007 was \$0. The obligation was reported net of the amount representing interest based upon the fair market value of the backhoe loader, and was reported in the governmental activities long term debt. Payments were made from general fund resources.

VILLAGE OF NEW HAVEN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007

NOTE F - OBLIGATION UNDER CAPITAL LEASE (continued)

In September, 2003 the Village purchased a fire truck at a cost of \$212,012. The fire truck was financed by a capital lease with annual payments of \$31,285 including interest at 5.5%. Payments are due through October, 2010 and the balance due at March 31, 2007 was \$111,321. The obligation is reported net of the amount representing interest based upon the fair market value of the fire truck, and is reported in the governmental activities long term debt. Payments are made from fire fund resources.

Future minimum lease payments under the capital obligations and the present value of the net minimum lease payments as of March 31, 2007 are as follows:

<u>Year Ended</u> <u>March 31,</u>	<u>Amount</u>
2008	\$48,268
2009	31,285
2010	31,285
2011	31,284
2012	<u>—</u>
Net minimum lease payments	142,122
Less amount representing interest	(<u>14,924</u>)
Present value of net minimum lease payments.	<u>\$127,198</u>

NOTE G - LONG TERM DEBT

The Village of New Haven has a bond issue serviced from its Sewer Fund:

On May 1, 1989, the Village issued \$945,720 in waste water disposal limited tax general obligation bonds to cover part of the cost of the construction of a new waste water disposal system. The bonds, which are recorded in the Sewer Fund, are payable first from net revenues derived from the operations of the system.

The principal balance on the bonds is due in varying annual installments starting at \$17,040 on October 1, 1990 and increasing by \$8,520 every two years thereafter until the principal is redeemed in full by October 1, 2007. The interest rate ranges from 7.50 to 5.00 percent, May, 1989 through October, 2007, payable semi-annually on April 1, and October 1.

The balance of this bond issue at March 31, 2007 is as follows:

Balance - March 31, 2006	\$178,920
Redemption	<u>85,200</u>
Balance - March 31, 2007	<u>\$ 93,720</u>

VILLAGE OF NEW HAVEN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007

NOTE G - LONG TERM DEBT (continued)

The Village of New Haven has a bond issue serviced from its Sewer Fund:

On December 19, 2006, the Village issued \$1,080,992 in North Gratiot Interceptor Drainage District limited tax general obligation bonds to cover part of the cost of the construction of a new waste water disposal system. The bonds, which are recorded in the Sewer Fund, are payable first from net revenues derived from the operations of the system.

The principal balance on the bonds is due in varying annual installments starting at \$15,991 on May 1, 2008 and 2009 and increasing as follows: \$23,987 May 1, 2010 through 2012, \$25,585 May 1, 2013, \$31,982 May 1, 2014 through 2017, \$39,978 May 1, 2018 through 2021, \$47,973 May 1, 2022 through 2026, \$55,968 May 1, 2027, \$63,964 May 1, 2028 and 2029, and \$79,955 May 1, 2030 through 2032. The interest rate ranges from 3.75 to 4.20 percent, December, 2006 through May, 2032, payable semi-annually on May 1, and December 1.

The balance of this bond issue at March 31, 2007 is as follows:

Balance - March 31, 2007 \$1,080,992

The following are the annual requirements to pay bonds at March 31, 2007:

<u>YEAR ENDING</u> <u>MARCH 31,</u>	<u>BUSINESS-TYPE ACTIVITIES</u> <u>ENTERPRISE FUNDS</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 93,720	\$46,786	\$ 140,506
2009	15,991	44,143	60,134
2010	15,991	43,543	59,534
2011	23,986	42,794	66,780
2012	23,986	41,894	65,881
2013 – 2017	145,518	193,207	338,725
2018 – 2022	191,892	158,011	349,903
2023 – 2027	239,865	113,616	353,481
2028 – 2032	343,808	55,564	399,372
2033	<u>79,955</u>	<u>1,679</u>	<u>81,634</u>
	<u>\$1,174,712</u>	<u>\$741,237</u>	<u>\$1,915,949</u>

Other long-term debt includes compensated absences, which consists of accumulated vacation, sick, and other compensation totaling \$48,347.

VILLAGE OF NEW HAVEN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007

NOTE G - LONG TERM DEBT (continued)

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
GOVERNMENTAL ACTIVITIES:					
Capital Lease Obligations					
Street Sweeper	\$ 30,728	\$ -	\$ 14,851	\$ 15,877	\$15,877
Backhoe	2,515	-	2,515	-	-
Fire Truck	136,009	-	24,688	111,321	25,885
Compensated Absences	<u>38,233</u>	<u>10,114</u>	<u>-</u>	<u>48,347</u>	<u>-</u>
Total Governmental Activities	<u>\$207,485</u>	<u>\$10,114</u>	<u>\$ 42,054</u>	<u>\$175,545</u>	<u>\$41,762</u>
BUSINESS TYPE ACTIVITIES:					
Limited Tax General					
Obligation Bond – Sewer	\$ 0	\$1,080,992	\$ -	\$1,080,992	\$ -
Obligation Bond – Sewer	<u>178,920</u>	<u>-</u>	<u>85,200</u>	<u>93,720</u>	<u>93,720</u>
Total Business Type Activities	<u>\$178,920</u>	<u>\$1,080,992</u>	<u>\$ 85,200</u>	<u>\$1,174,712</u>	<u>\$93,720</u>

NOTE H - INTERFUND RECEIVABLE AND PAYABLE BALANCES

Interfund receivable and payable balances described as Due From and Due To Other funds on the balance sheets reflect amounts due or owed to a particular fund by another fund of the Village. A summary of these balances at March 31, 2007 is as follows:

	<u>2007</u> <u>DUE FROM</u>	<u>DUE TO</u>
GENERAL FUND		
Enterprise Funds:		
Sewer Fund	\$ 45,248	\$ -
ENTERPRISE FUNDS		
Sewer Fund:		
General Fund	<u>-</u>	<u>45,248</u>
	<u>\$ 45,248</u>	<u>\$ 45,248</u>

VILLAGE OF NEW HAVEN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007

NOTE I - PENSION PLAN

The Village has a defined contribution plan covering all full time personnel which requires contributions by the Village. The plan is referred to as "The Village of New Haven Retirement Program" and plan assets are maintained by Mass Mutual Life Insurance Company. The Village of New Haven is Plan Administrator. The plan was developed under authority of Internal Revenue Code Section 401 and any amendments must comply with current laws and regulations as administered by Internal Revenue Service.

Total compensation of covered employees, and total compensation of all employees for the year ended March 31, 2007 amounted to \$748,825 and \$1,076,864, respectively. A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individuals account are to be determined instead of specifying the amount of benefits the individual is to receive. Such benefits depend solely on the amount contributed to the participant's account, the returns earned on investments of those contributions, and forfeitures of other participants' benefits prior to vesting. Contributions to the plan are made by the Village based upon 5% of the participant's gross wages. Participants may contribute to the plan, at their option, with after tax dollars.

During the year ended March 31, 2007 the Village contributed \$39,463 to the plan. The Village contributions are net of forfeitures.

NOTE J - ACCUMULATED EMPLOYEE VACATION, SICK, AND OTHER COMPENSATION

The Village of New Haven employees are granted vacation time in varying amounts based on length of service. Policies for accumulated vacation pay, which is paid at current rates, are summarized below:

Department of Public Works

Vacation days accumulated and not used shall be paid to the employee each year on their employment anniversary date.

Police Department

Vacation days accumulated and not used shall be paid to the employee at termination of employment with a maximum accumulation of thirty days.

General

Vacation days accumulated and not used shall be paid to the employee at termination of employment.

The Village's approximate liability for accumulated vacation pay at March 31, 2007 and 2006 amounted to \$15,212 and \$9,536, respectively.

VILLAGE OF NEW HAVEN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007

NOTE J - ACCUMULATED EMPLOYEE VACATION, SICK, AND OTHER COMPENSATION
(continued)

The Village of New Haven employees are also granted twelve days per year sick leave. Policies for accumulated sick pay, which is paid at current rates, are summarized below:

Department of Public Works

Sick days accumulated and not used shall be paid at a rate of 50% to the employee at termination of employment with a maximum accumulation of thirty days.

Police Department

Sick days accumulated and not used shall be paid to the employee at termination of employment with a maximum accumulation of thirty days. Sick days accumulated in excess of thirty days shall be paid to the employee each year on July 1.

General

Sick days accumulated and not used shall be paid at a rate of 50% to the employee at termination of employment with a maximum accumulation of thirty days.

The Village's approximate liability for accumulated sick pay at March 31, 2007 and 2006 amounted to \$27,027 and \$19,166, respectively.

Those Village of New Haven police department employees under union contract are granted "comp time" as follows:

Employees have the option of being paid overtime currently or accumulating the unpaid overtime as "comp time" available for additional time off. Comp time accumulated and not used shall be paid to the employee at termination of employment with a maximum accumulation of 100 hours.

The Village's approximate liability for accumulated comp time at March 31, 2007 and 2006 amounted to \$6,108 and \$9,531, respectively.

The liability for the accumulated vacation, sick pay, and other compensation is reported as long term debt.

VILLAGE OF NEW HAVEN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007

NOTE K - LEASE ARRANGEMENTS

The Village leases property to an unrelated party. The lease calls for monthly rents of \$400. The lease is on a month-to-month basis and accounted for in the general fund.

NOTE L - COMMITMENTS

As part of the 1987 agreement to connect with the City of Detroit Sewer System, the Village is committed to clean and properly abandon its old waste water treatment plant. Based on preliminary estimates, the Village expects to complete the project at a cost of \$57,000.

The Village has committed to participation in a sewer expansion project with various other surrounding communities. The estimated cost to the Village is \$4,500,000. Payment arrangements have not been finalized, but the project is expected to be financed entirely through the issuance of bonds. As disclosed in Note G, the Village issued bonds totaling \$1,080,992 to cover the cost of the first phase of the project.

Prior to October, 2006, the Village leased its Police Department facility on a month to month basis. The lease called for a monthly base rent of \$3,708. Rent expense for the year ended March 31, 2007 amounted to \$36,071.

Effective October, 2006, the Village became committed to a lease for its operating facility. The lease, which expires October, 2031, requires monthly base rent of \$16,500 exclusive of taxes, utilities, insurance, maintenance and repairs. The lease also requires the Village to pay as additional rent each year any property taxes levied on the operating facility. Base rent and additional rent for the year ended March 31, 2007 amounted to \$115,500 and \$0, respectively. The Village may exercise an option to purchase the operating facility at any time after October, 2008 for \$3,500,000.

Minimum future rental commitments for the operating facility are summarized as follows:

<u>Year Ended</u> <u>March 31,</u>	<u>Amount</u>
2008	\$ 198,000
2009	198,000
2010	198,000
2011	198,000
2012	198,000
2013 – 2017	990,000
2018 – 2022	990,000
2023 – 2027	990,000
2028 – 2032	<u>874,500</u>
	<u>\$ 4,834,500</u>

VILLAGE OF NEW HAVEN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007

NOTE M - FIRE FUND

The Village has established a special assessment district to finance its fire department. The district includes all real property within the Village. The Village Board of Trustees is authorized to levy a special assessment upon these property owners of up to 3 mills annually. The special assessment must be used for fire department purposes only. Michigan law requires establishment of a separate special revenue fund to account for this activity.

NOTE N – RESTRICTED ASSETS

Restricted assets consist of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Village Ordinance requires money be designated for major repairs or replacements within the sewer system	\$ -	\$ 163,327
Certain amounts within the Perpetual Care Fund are designated for maintenance of the Village Cemetery	<u>38,653</u>	<u>-</u>
	<u>\$ 38,653</u>	<u>\$ 163,327</u>

Village policy is to apply unrestricted resources to appropriations prior to restricted resources.

NOTE O – RISK MANAGEMENT

The Village is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Village has purchased commercial insurance for employee medical claims, and participates in the Michigan Municipal League Liability and Property Pool program for claims relating to property loss, torts, errors and omissions, workers' compensation and personal injuries. Settled claims relating to these risks have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The Michigan Municipal League Liability and Property Pool program operates as a common risk-sharing management program for local units of government in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

SUPPLEMENTAL INFORMATION

VILLAGE OF NEW HAVEN
GENERAL FUND
BALANCE SHEET
MARCH 31, 2007 AND 2006

ASSETS

	<u>2007</u>	<u>2006</u>
CASH AND CASH EQUIVALENTS	\$1,716,974	\$1,804,049
RECEIVABLES:		
Taxes	16,688	18,892
Accounts	<u>43,999</u>	<u>12,664</u>
	60,687	31,556
Less: Allowance for doubtful accounts	<u>0</u>	<u>0</u>
	60,687	31,556
DUE FROM OTHER FUNDS	<u>45,248</u>	<u>45,248</u>
	<u><u>\$1,822,909</u></u>	<u><u>\$1,880,853</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES		
Accounts payable	\$52,319	\$56,381
Accrued expenses	<u>24,399</u>	<u>14,605</u>
	76,718	70,986
DUE TO OTHER FUNDS	0	0
FUND BALANCE		
Unreserved - undesignated	<u>1,746,191</u>	<u>1,809,867</u>
	<u><u>\$1,822,909</u></u>	<u><u>\$1,880,853</u></u>

VILLAGE OF NEW HAVEN
GENERAL FUND
DETAILED STATEMENT OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED MARCH 31, 2007

	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH AMENDED BUDGET</u>
TAXES				
Property	\$724,769	\$912,386	\$921,345	\$8,959
Trailer park	2,706	2,196	2,915	719
	<u>727,475</u>	<u>914,582</u>	<u>924,260</u>	<u>9,678</u>
INTERGOVERNMENTAL				
Sales Tax	350,000	347,000	347,982	982
Liquor Tax	1,830	1,816	1,816	0
CDBG	6,900	0	7,297	7,297
	<u>358,730</u>	<u>348,816</u>	<u>357,095</u>	<u>8,279</u>
CHARGES FOR SERVICES				
Equipment rental	100,000	94,000	111,070	17,070
Clerical and office rent	70,000	110,000	110,000	0
	<u>170,000</u>	<u>204,000</u>	<u>221,070</u>	<u>17,070</u>
INTEREST EARNED	140,000	150,000	209,915	59,915
MISCELLANEOUS				
Fines and forfeits	54,580	55,428	55,188	(240)
Miscellaneous	48,537	73,964	33,328	(40,636)
Cops Grant	6,660	37,050	29,184	(7,866)
Homeland Security Grant	0	0	7,866	7,866
Police Fund	9,975	11,586	11,086	(500)
Police wage reimbursement	0	0	0	0
Metro Housing Grant	7,148	10,650	10,650	0
Metro Authority Act	0	0	8,049	8,049
Smart Fund	0	0	23,833	23,833
	<u>126,900</u>	<u>188,678</u>	<u>179,184</u>	<u>(9,494)</u>
PREVIOUS FUND BALANCE	<u>196,353</u>	<u>270,723</u>	<u>0</u>	<u>(270,723)</u>
	<u>\$1,719,458</u>	<u>\$2,076,799</u>	<u>\$1,891,524</u>	<u>(\$185,275)</u>

VILLAGE OF NEW HAVEN
GENERAL FUND
DETAILED STATEMENT OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED MARCH 31, 2007

	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH AMENDED BUDGET</u>
GENERAL GOVERNMENT				
Salaries - General	\$96,300	\$99,000	\$102,699	(\$3,699)
Council	17,000	23,600	17,827	5,773
Assessor	0	0	0	0
Clerk	7,500	9,300	5,520	3,780
Treasurer	1,600	1,600	1,625	(25)
Presidents Pay	14,400	14,400	14,400	0
Planning and housing	4,895	4,750	4,700	50
Payroll taxes and benefits	64,000	67,000	38,160	28,840
Election	5,100	15,000	0	15,000
Supplies	20,300	51,750	49,020	2,730
Professional services	160,000	160,000	200,158	(40,158)
Bad debts	0	0	0	0
Inspectors	0	150	135	15
Telephone	7,500	8,000	8,333	(333)
Printing and publishing	14,000	8,000	10,016	(2,016)
Hydrant charge	11,375	11,375	11,375	0
Sewer charge	10,000	10,000	10,000	0
Insurance	72,500	70,000	64,795	5,205
Heat, light and power	3,000	15,000	17,362	(2,362)
Building repair and maintenance	10,950	27,500	25,904	1,596
Equipment repair and maintenance	20,200	33,050	41,950	(8,900)
Miscellaneous	10,200	30,400	20,931	9,469
Membership and dues	1,400	4,000	4,878	(878)
Capital outlay	370,000	300,000	187,748	112,252
Rent	500	99,437	115,937	(16,500)
CDBG - Various	5,000	5,000	0	5,000
General Government - balance forwarded	<u>\$927,720</u>	<u>\$1,068,312</u>	<u>\$953,473</u>	<u>\$114,839</u>

VILLAGE OF NEW HAVEN
GENERAL FUND
DETAILED STATEMENT OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED MARCH 31, 2007

	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH AMENDED BUDGET</u>
PUBLIC SAFETY				
Police:				
Salaries	\$402,000	\$496,000	\$509,601	(\$13,601)
Payroll taxes and benefits	117,000	139,000	151,171	(12,171)
Supplies	7,950	33,700	12,770	20,930
Training costs	6,000	6,000	(759)	6,759
Gasoline and oil	17,000	23,000	22,702	298
Uniforms	5,200	5,200	6,587	(1,387)
Professional services	36,000	64,000	30,010	33,990
Telephone	8,000	15,000	15,057	(57)
Vehicle	18,000	30,000	24,032	5,968
Insurance	18,100	17,000	15,380	1,620
Heat, light and power	10,750	5,500	7,043	(1,543)
Rent	63,690	36,072	36,071	1
Repair and maintenance	250	2,200	2,668	(468)
Membership and dues	2,200	500	400	100
Capital outlay	40,000	80,000	108,551	(28,551)
Miscellaneous	990	6,000	0	6,000
	<u>753,130</u>	<u>959,172</u>	<u>941,284</u>	<u>17,888</u>
PARKS, RECREATION AND SMART				
Salaries and wages	15,500	14,500	14,331	169
Payroll taxes and benefits	2,500	2,000	1,425	575
Supplies	2,700	2,000	1,672	328
Gasoline and oil	0	0	0	0
Uniforms	0	150	108	42
Insurance	1,200	1,065	1,165	(100)
Professional services	0	0	130	(130)
Vehicle expense	800	800	12,891	(12,091)
Equipment rental	13,000	13,000	13,240	(240)
Recreation program	1,250	6,000	13,930	(7,930)
Utilities	300	1,700	1,503	197
Miscellaneous	135	8,100	48	8,052
	<u>37,385</u>	<u>49,315</u>	<u>60,443</u>	<u>(11,128)</u>
Parks, Recreation & SMART				
	<u>\$1,718,235</u>	<u>\$2,076,799</u>	<u>\$1,955,200</u>	<u>\$121,599</u>
TOTAL EXPENDITURES				

VILLAGE OF NEW HAVEN
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
MARCH 31, 2007

	MAJOR STREET	LOCAL STREET	MUNICIPAL STREET	FIRE FUND	CEMETERY	DRUG LAW ENFORCEMENT	2007 TOTAL
<hr/> ASSETS <hr/>							
CASH AND CASH EQUIVALENTS	\$489,411	\$74,418	\$1,050,372	\$262,935	(\$3,840)	\$44,012	\$1,917,308
ACCOUNTS RECEIVABLE	0	0	0	0	0	0	0
DUE FROM OTHER FUNDS	0	0	0	0	0	0	0
	<hr/> \$489,411	<hr/> \$74,418	<hr/> \$1,050,372	<hr/> \$262,935	<hr/> (\$3,840)	<hr/> \$44,012	<hr/> \$1,917,308
 <hr/> LIABILITIES AND FUND BALANCE <hr/>							
LIABILITIES							
Accounts Payable	\$33,670	\$1,008	\$2,545	\$3,192	\$185	\$1,771	\$42,371
Accrued Expenses	46	155	0	159	0	0	360
Due to other funds	0	0	0	0	0	0	0
	<hr/> 33,716	<hr/> 1,163	<hr/> 2,545	<hr/> 3,351	<hr/> 185	<hr/> 1,771	<hr/> 42,731
 FUND BALANCE							
Unreserved - undesignated	455,695	73,255	1,047,827	259,584	(4,025)	42,241	1,874,577
	<hr/> \$489,411	<hr/> \$74,418	<hr/> \$1,050,372	<hr/> \$262,935	<hr/> (\$3,840)	<hr/> \$44,012	<hr/> \$1,917,308

VILLAGE OF NEW HAVEN
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
YEAR ENDED MARCH 31, 2007

	MAJOR STREET	LOCAL STREET	MUNICIPAL STREET	FIRE FUND	CEMETERY	DRUG LAW ENFORCEMENT	2007 TOTAL
REVENUES							
Taxes	\$0	\$0	\$364,878	\$252,402	\$39,092	\$0	\$656,372
Intergovernmental	131,571	45,889	0	11,168	0	0	188,628
Charges for services	0	0	0	0	8,100	0	8,100
Interest earned	0	0	0	0	975	0	975
Miscellaneous	0	0	0	1,077	11,439	16,059	28,575
	131,571	45,889	364,878	264,647	59,606	16,059	882,650
EXPENDITURES							
General government	0	0	0	0	63,633	2,591	66,224
Public Safety	0	0	0	211,159	0	0	211,159
Highway and streets	132,493	84,598	36,274	0	0	0	253,365
	132,493	84,598	36,274	211,159	63,633	2,591	530,748
REVENUES OVER (UNDER) EXPENDITURES	(922)	(38,709)	328,604	53,488	(4,027)	13,468	351,902
OTHER FINANCING SOURCES (USES)							
Operating transfers in	0	43,930	0	0	0	0	43,930
Operating transfers out	0	0	(43,930)	0	0	0	(43,930)
	0	43,930	(43,930)	0	0	0	0
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(922)	5,221	284,674	53,488	(4,027)	13,468	351,902
FUND BALANCES (DEFICIT)							
Beginning of the year	456,617	68,034	763,153	206,096	2	28,773	1,522,675
FUND BALANCES (DEFICIT)							
End of the year	\$455,695	\$73,255	\$1,047,827	\$259,584	(\$4,025)	\$42,241	\$1,874,577

VILLAGE OF NEW HAVEN
CEMETERY FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED MARCH 31, 2007

	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH AMENDED BUDGET</u>
REVENUES				
Property taxes	\$31,100	\$38,600	\$39,092	\$492
Charges for services	8,700	7,100	8,100	1,000
Interest earned	100	225	975	750
Miscellaneous:				
Sale of lots	13,400	7,400	10,300	2,900
Foundations	985	1,210	1,139	(71)
Previous Fund Balance	0	0	0	0
	54,285	54,535	59,606	5,071
EXPENDITURES				
Wages and clerical	28,000	23,500	21,375	2,125
Payroll taxes and benefits	12,000	11,000	11,981	(981)
Supplies	1,500	5,000	6,878	(1,878)
Gas and oil	1,700	1,000	1,036	(36)
Uniforms	115	0	0	0
Professional services	0	500	272	228
Insurance	15	0	0	0
Repair and maintenance	0	0	0	0
Equipment rental	17,500	0	21,855	(21,855)
Miscellaneous	200	500	236	264
Bad debts	0	0	0	0
	61,030	41,500	63,633	(22,133)
REVENUES OVER (UNDER) EXPENDITURES	(6,745)	13,035	(4,027)	(17,062)
OTHER FINANCING SOURCES (USES)				
Operating transfers in -				
Perpetual Care Fund	5,522	0	0	0
General Fund	1,223	0	0	0
	6,745	0	0	0
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$0</u>	<u>\$13,035</u>	<u>(4,027)</u>	<u>(\$17,062)</u>
FUND BALANCE (DEFICIT) Beginning of the year			<u>2</u>	
FUND BALANCE (DEFICIT) End of the year			<u>(\$4,025)</u>	

VILLAGE OF NEW HAVEN
 DRUG LAW ENFORCEMENT FUND
 DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
 YEAR ENDED MARCH 31, 2007

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE WITH AMENDED BUDGET
REVENUES				
Seizures & forfeitures	\$24,000	\$16,000	\$16,059	\$59
Previous Fund Balance	0	0	0	0
	24,000	16,000	16,059	59
EXPENDITURES				
Capital outlay	4,200	6,000	2,590	3,410
Miscellaneous	500	0	1	(1)
	4,700	6,000	2,591	3,409
REVENUES OVER (UNDER) EXPENDITURES	<u>\$19,300</u>	<u>\$10,000</u>	13,468	<u>\$3,468</u>
FUND BALANCE Beginning of the year			<u>28,773</u>	
FUND BALANCE End of the year			<u>\$42,241</u>	

VILLAGE OF NEW HAVEN
CEMETERY PERPETUAL CARE TRUST FUND
BALANCE SHEET
MARCH 31, 2007 AND 2006

ASSETS

	<u>2007</u>	<u>2006</u>
CASH	(\$4,402)	(\$4,402)
CERTIFICATES OF DEPOSIT	<u>45,920</u>	<u>45,203</u>
	<u><u>\$41,518</u></u>	<u><u>\$40,801</u></u>

LIABILITIES AND FUND BALANCE

FUND BALANCE		
Reserved	\$38,653	\$37,936
Unreserved - undesignated	<u>2,865</u>	<u>2,865</u>
	<u><u>\$41,518</u></u>	<u><u>\$40,801</u></u>

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEARS ENDED MARCH 31, 2007 AND 2006

REVENUES		
Miscellaneous - interest	<u>\$717</u>	<u>\$820</u>
	717	820
EXPENDITURES		
Miscellaneous	<u>0</u>	<u>0</u>
	0	0
REVENUE OVER (UNDER) EXPENDITURES	717	820
OTHER FINANCING SOURCES (USES)		
OPERATING TRANSFER OUT		
Cemetery Fund	<u>0</u>	<u>(5,522)</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	717	(4,702)
FUND BALANCE		
Beginning of the year	<u>40,801</u>	<u>45,503</u>
FUND BALANCE		
End of the year	<u><u>\$41,518</u></u>	<u><u>\$40,801</u></u>

VILLAGE OF NEW HAVEN
ENTERPRISE FUND - WATER
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED MARCH 31, 2007

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE WITH AMENDED BUDGET
OPERATING REVENUES				
User charges	\$280,000	\$365,000	\$383,275	\$18,275
Hydrant rental	11,375	11,375	11,375	0
Water tap - ins	95,000	95,000	146,360	51,360
Miscellaneous	20,900	3,190	33,259	30,069
CDBG	0	0	58,084	58,084
Previous Fund Balance	141,475	0	0	0
	548,750	474,565	632,353	157,788
OPERATING EXPENSES				
Salaries and wages	100,000	77,500	81,873	(4,373)
Plant charges	401,750	349,800	346,165	3,635
Depreciation	45,000	45,000	47,756	(2,756)
Capital outlay	2,000	0	65	(65)
	548,750	472,300	475,859	(3,559)
OPERATING INCOME	0	2,265	156,494	154,229
NONOPERATING REVENUES (EXPENSES)				
Interest on bonds	0	0	0	0
	0	0	0	0
NET INCOME (LOSS)	<u>\$0</u>	<u>\$2,265</u>	156,494	<u>\$154,229</u>
RETAINED EARNINGS (DEFICIT)				
Beginning of the year			<u>1,674,002</u>	
RETAINED EARNINGS (DEFICIT)				
End of the year			<u>\$1,830,496</u>	

VILLAGE OF NEW HAVEN
ENTERPRISE FUND - SEWER
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED MARCH 31, 2007

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE WITH AMENDED BUDGET
OPERATING REVENUES				
User charges	\$411,000	\$507,000	\$636,176	\$129,176
Sewer rental	10,000	10,000	10,000	0
Sewer tap - ins	143,000	45,000	234,080	189,080
Miscellaneous	36,000	0	0	0
	600,000	562,000	880,256	318,256
OPERATING EXPENSES				
Salaries and wages	80,500	67,000	68,798	(1,798)
Plant charges	411,850	428,550	404,533	24,017
Sewer repair	0	0	0	0
Depreciation	54,000	61,000	70,192	(9,192)
Capital outlay	2,000	0	0	0
	548,350	556,550	543,523	13,027
OPERATING INCOME	51,650	5,450	336,733	331,283
NONOPERATING REVENUES (EXPENSES)				
Interest on investments	1,500	4,000	5,942	1,942
Interest on bonds	(14,500)	(7,881)	(7,881)	0
Capital Contributions	0	0	0	0
	(13,000)	(3,881)	(1,939)	1,942
NET INCOME (LOSS)	<u>\$38,650</u>	<u>\$1,569</u>	334,794	<u>\$333,225</u>
RETAINED EARNINGS (DEFICIT)				
Beginning of the year			<u>2,677,045</u>	
RETAINED EARNINGS (DEFICIT)				
End of the year			<u>\$3,011,839</u>	

VILLAGE OF NEW HAVEN
ENTERPRISE FUND - BUILDING
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED MARCH 31, 2007

	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH AMENDED BUDGET</u>
OPERATING REVENUES				
Permits & licenses	\$215,000	\$250,000	\$202,834	(\$47,166)
Miscellaneous	0	51,000	0	(51,000)
	<u>215,000</u>	<u>301,000</u>	<u>202,834</u>	<u>(98,166)</u>
OPERATING EXPENSES				
Salaries and wages	149,800	228,500	238,105	(9,605)
Professional fees	(17,000)	70,000	(28,151)	98,151
Capital outlay	0	0	2,295	(2,295)
Miscellaneous	1,250	2,500	(217)	2,717
	<u>134,050</u>	<u>301,000</u>	<u>212,032</u>	<u>88,968</u>
OPERATING INCOME (LOSS)	80,950	0	(9,198)	(9,198)
NONOPERATING REVENUES (EXPENSES)				
Operating transfers in - General Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET INCOME (LOSS)	<u>\$80,950</u>	<u>\$0</u>	(9,198)	<u>(\$9,198)</u>
RETAINED EARNINGS (DEFICIT)				
Beginning of the year			<u>53,343</u>	
RETAINED EARNINGS (DEFICIT)				
End of the year			<u>\$44,145</u>	

VILLAGE OF NEW HAVEN
CURRENT TAX COLLECTION FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
YEARS ENDED MARCH 31, 2007 AND 2006

ASSETS

	<u>BALANCE</u> <u>April 1, 2006</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>March 31, 2007</u>
CASH	\$0	\$1,555,539	\$1,555,539	\$0
	\$0	\$1,555,539	\$1,555,539	\$0

LIABILITIES

ACCOUNTS PAYABLE:				
DUE TO GENERAL FUND	\$0	\$899,167	\$899,167	\$0
DUE TO MUNICIPAL STREET FUND	0	364,878	364,878	0
DUE TO FIRE FUND	0	252,402	252,402	0
DUE TO CEMETERY FUND	0	39,092	39,092	0
DUE TO WATER AND SEWER FUNDS	0	0	0	0
	\$0	\$1,555,539	\$1,555,539	\$0

ASSETS

	<u>BALANCE</u> <u>April 1, 2005</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>March 31, 2006</u>
CASH	\$0	\$1,235,718	\$1,235,718	\$0
	\$0	\$1,235,718	\$1,235,718	\$0

LIABILITIES

ACCOUNTS PAYABLE:				
DUE TO GENERAL FUND	\$0	\$714,312	\$714,312	\$0
DUE TO MUNICIPAL STREET FUND	0	289,869	289,869	0
DUE TO FIRE FUND	0	200,521	200,521	0
DUE TO CEMETERY FUND	0	31,016	31,016	0
DUE TO WATER AND SEWER FUNDS	0	0	0	0
	\$0	\$1,235,718	\$1,235,718	\$0

*Member:
American Institute of
Certified Public Accountants
The Michigan Association of
Certified Public Accountants*

JOHN W. RHINESMITH, C.P.A., P.C.
CERTIFIED PUBLIC ACCOUNTANT

**24825 Little Mack Avenue
St. Clair Shores, Michigan 48080**

**TELEPHONE
(586) 772-7300
FACSIMILE
(586) 772-8397**

April 22, 2008

Board of Trustees
Village of New Haven
P.O. Box 480429
New Haven, Michigan 48048

In planning and performing our audit of the financial statements of Village of New Haven for the year ended March 31, 2007, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control. However, we noted certain matters involving the internal control and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of internal control that, in our judgment, could adversely affect Village of New Haven's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

Management relies on the Village's auditors to ensure that the annual financial statements conform to generally accepted accounting principles ("GAAP"). Therefore, as a part of our engagement to audit the financial statements, we draft the financial statements and the related footnotes for approval by management. This is a conscious and practical approach to preparing the financial statements since the Village has determined that the costs to establish internal controls over financial reporting and to develop the skills and knowledge of its personnel to apply generally accepted accounting principles in preparing the financial statements is greater than the risk of misstatements occurring in the financial statements. However, as a result of recently issued professional auditing standards, this situation meets the definition of a significant deficiency and material weakness in internal control.

We considered this internal control deficiency in planning the scope of our audit procedures and believe that we have appropriately addressed the risk of any misstatements in the audited financial statements. Therefore, due to the relative cost to eliminate the internal control deficiency over financial reporting in conformity with GAAP related to the risks

involved and considering the audit procedures performed to address the risk of misstatements in the audited financial statements, we do not currently recommend any actions to address this weakness.

1. Pursuant to ordinance No. 280, as amended, Board of Trustee approval is required for Village purchases as follows: Prior to January 9, 2007 – in excess of \$1,500.00; Subsequent to January 9, 2007 - in excess of \$2,500.00. The following discrepancies were noted in that regard:

We noted no Board approval for the following:

- Payment to East Jordan totaling \$4,034.48 for parts by the Water Fund on April 7, 2006.
- Payments to Pamar totaling \$2,200.00 for repairs to water mains by the Water Fund in June, 2006. The invoice was paid on February 17, 2007.
- Payment to FundBalance totaling \$3,502.00 for a maintenance contract by the General Fund on June 30, 2006.
- Payments to GE Capital for the lease of a new copy machine (capitalized cost approximately \$9,000.00) by the General Fund on August 15, 2006.
- Payment to Signature Ford totaling \$20,612.00 for a police car by the Police Department on August 4, 2006.
- Payment to Michael Chevrolet totaling \$4,389.26 for repairs to a police car by the Police Department on September 15, 2006.
- Payment to Public Safety Communications totaling \$2,190.00 for equipment by the Police Department on September 8, 2006.
- Payment to Two Men & Truck totaling \$1,740.64 for moving costs by the Police Department on November 17, 2006.
- Payment to Tower Computer Services totaling \$5,518.00 for wiring and installation at the new building by the General Fund on December 8, 2006.

2. Regarding Water and Sewer Activity:

- We noted water and sewer penalties for the quarters August, 2006 and November, 2006 were not posted to general ledger. Obviously, a

reconciliation of utility billing reports to general ledger had not been performed adequately. This omission resulted in incomplete financial records. The omission was corrected with audit adjusting entries. This is a serious matter that needs to be rectified and closely monitored.

- We noted the water and sewer outstanding balances report as of March 31, 2007 did not agree to general ledger as adjusted by our auditors. We also noted many credit balances within the report. Maintenance of general ledger and subsidiary schedules is fundamental to sound internal control over assets. We recommend the outstanding balances report be reconciled to general ledger routinely.
 - Controls over the water meter inventory at the Department of Public Works are inadequate. We found the inventory to be grossly overstocked. Our auditors counted 258 meters on hand. Many of those meters dated back to May, 2004. We noted newer purchases were used before older purchases. It appears the approval granted to DPW by Council on January 13, 2004 to purchase meters on as needed basis has resulted in an overstocked situation. Please also refer to our report dated December 21, 2004. We recommend steps be taken immediately to implement controls over these assets.
 - We noted certain PRV valves purchased in May, 2005 for \$12,001.00 were still on hand at the Department of Public Works. We question the need to stock such an item. Please also refer to our report dated December 22, 2006 in which we indicate the purchase of these valves was not properly approved. We recommend this matter be investigated immediately.
 - It appears as though the Building Department failed to assess water and sewer connection fees on Building Permits 2933 and 3019. It also appears tap credits were issued in error on Building Permits 2898 and 2899.
 - We noted several accounts within the water system that show no activity for periods in excess of one year. We suggest these accounts be investigated and deleted as appropriate.
 - We noted two accounts at Riverbrook (04 & 05) show usage but have not been billed. We recommend this matter be investigated immediately.
3. We noted the Village does not routinely store computer backups off site at a location accessible to New Haven officials. To help ensure uninterrupted use of the computers and timely financial reporting throughout a catastrophic

April 22, 2008

event, we recommend the Village routinely store computer backups off site, on a monthly basis.

4. As of completion of our fieldwork, the following Community Development Block Grants have not yet been received:

<u>Year</u>	<u>Description</u>	<u>Amount</u>
2004	Various	\$ 7,000
2005	Various, including sidewalks	18,847
2006	Various, including sidewalks	26,100
2007	Various, including zoning, ordinance update	<u>32,600</u>
		<u>\$ 84,547</u>

According to officials within the Planning and Economic Development Department of Macomb County, it appears New Haven may relinquish approximately \$30,000 of the Grant money mentioned above if certain conditions are not met by certain dates. We suggest immediate attention be given to this matter.

5. We noted the following regarding trash services:
- We found the Village was not reporting quarterly unit counts as required in the contract with Rizzo Services. This may have resulted in an overcharge.
6. We found two contracts signed by Village office personnel:
1. Colonial Fireworks Company, Inc. dated June 12, 2006.
 2. Tower Computer Services dated September 29, 2006.

We do not believe these persons were authorized to enter the Village into contracts and recommend, as a matter of policy and control, such actions be strictly prohibited.

7. In November, 2006 the Village implemented an automated Cash Receipt program. The program is interfaced with other FundBalance programs and therefore, eliminates manual cash receipts entries. However, implementation

Board of Trustees
Village of New Haven
April 22, 2008

of the new cash receipt program was poorly designed and resulted in many posting errors during November, 2006 and December, 2006. Activity subsequent to the implementation was not adequately monitored. Our auditors were able to reconcile matters and make correcting adjustments. Implementation of new computer systems requires close monitoring. We recommend this be considered when implementing new systems in the future.

8. The schedule of outstanding building bonds does not agree with general ledger. Although it appears the design of the schedule is sufficient to provide the information necessary to reconcile to general ledger, that step has not been taken. We recommend the schedule be reconciled to general ledger on a monthly basis.
9. The Village Credit Card Policy adopted August 12, 2003 requires each card have a spending limit of \$1,000.00. It appears the spending limit on several cards may actually be \$1,500.00. We also noted several instances when unauthorized office personnel approved credit card charges. We recommend these situations be investigated.
10. We noted an inappropriate transaction may have occurred involving money due the Village. The amount due, \$738.95, involved a credit card account owned by the Village. The credit card account developed a credit balance in favor of the Village totaling \$738.95. The credit card company sent a refund check to the Village in the name of Village of New Haven. It appears this refund was never deposited in Village accounts. It further appears the refund check may have been inappropriately endorsed in favor of a former elected official of the Village. We understand the amount at issue was returned to the Village subsequent to March 31, 2007. We must advise this event may reflect a fraud or other illegal act, but have insufficient audit evidence to make that determination.
11. We noted the following miscellaneous matters:
 - It appears Tower Computer Services was overpaid \$3,274.00 on December 22, 2006 with check #25570.
 - It appears credit is due the Village from Gratiot-Twenty Six Mile, LLC relating to pro-rated property taxes at the Police station. We estimate the credit to be approximately \$7,800.00.
 - We found no invoice supporting the purchase of a utility truck from Russell Burden in April, 2006 for \$10,500.00. Pursuant to Village Policy, all purchases should be documented with an invoice. An invoice may also be required in liability or insurance matters.

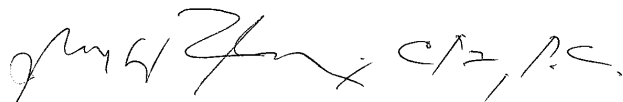
Board of Trustees
Village of New Haven
April 22, 2008

- We noted two tax refunds per Board of Review were overpaid as follows:
 - Decora Park, LLC - \$4,904.64
 - Kenmore Contracting - \$631.20

12. According to information provided to our auditors, Village of New Haven is seriously delinquent in its obligation to clean and properly abandon its waste water treatment plant. We suggest remedial action be taken immediately.

This report is intended solely for the information and use of Village of New Haven, management and Board of Trustees of Village of New Haven. This restriction is not intended to limit distribution of this report, which is matter of public record.

If you have any questions or comments regarding the above, or would like to discuss other items of concern, please do not hesitate to call.



JOHN W. RHINESMITH, C.P.A., P.C.
Certified Public Accountant